FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of Notice of Proposed Rulemaking Universal Service Contribution Methodology	FCC 19-46 WC Docket No. 06-122

COMMENTS OF SETDA OPPOSING PROPOSED UNIVERSAL SERVICE FUND CAP CHANGES

For nearly twenty years, the State Educational Technology Directors Association ("SETDA") has served as the non-profit membership association representing U.S. state and territorial educational technology leaders. SETDA works to build the capacity of decision makers to improve educational outcomes through improved technology policies and practices. SETDA opposes the Federal Communications Commission's ("FCC") proposal to establish a single spending cap over the four unique Universal Service Fund ("USF") programs, prioritize the USF programs, and to merge the E-rate and Rural Health Care program caps. These proposed administrative changes will not facilitate greater broadband access, promote operational efficiencies, or otherwise serve the public interest.

SETDA's members support school districts that are working to promote equitable access to digital learning, including encouraging local and regional efforts to expand students' school and home access to high capacity broadband. Collectively and individually, our members provide advice and support to local education leaders, policy makers, and network staff to help them deliver seamless digital learning experiences to their students at school and at home.[1] This support includes helping our members' school district partners take full advantage of the vitally important USF Schools and Libraries Program ("E-rate") for delivering the high capacity broadband access required for teaching and learning. In April

[1] *See e.g., The Broadband Imperative II: Equitable Access for Learning,* State Educational Technology Directors Association (September 2016).

2019, SETDA published a new report, *State K-12 Broadband Leadership 2019: Driving Connectivity, Access and Student Success,* which highlights how states are working with school districts to promote broadband access, including by helping them most effectively and efficiently use the E-rate program.[2]

Sufficient E-rate funding must be available to help school districts and their state partners to address remaining broadband shortfalls, including achieving the Modernization Order's long-term goals *and* closing the "homework gap". For this reason, and the reasons described below, SETDA strongly encourages the FCC to forgo establishing an aggregate cap on the Universal Service Fund's four programs and not merge the existing program-level caps for the E-rate and Rural Health Care programs, as proposed by the above captioned proceeding.[3]

CONGRESS ESTABLISHED DISTINCT USF PROGRAMS FOR A PURPOSE AND ESTABLISHING A SINGLE USF CAP WOULD FRUSTRATE THE TELECOMMUNICATIONS ACT'S INTENT

Congress recognized that market forces alone would not ensure that all Americans have access to the communications and information services they need, so legislators designed the Telecommunications Act of 1996 ("Act") to include a multi-program USF focused on helping consumer groups that often fall on the wrong side of the digital divide. This included establishing programs focused on schools, rural residents, rural clinics, and low-income households. The Act makes clear that the USF should "be specific, predictable and sufficient" to meet these consumer groups' sometimes unique connectivity needs.[4] Referencing consumers educational and healthcare needs, the Telecommunications Act Conference Report says:

New subsection (h) of section 254 is intended to ensure that health care providers for

[2] SETDQ, *State K-12 Broadband Leadership 2019: Driving Connectivity, Access and Student Success,* Available online at http://bit.ly/32vLYeV
[3] Federal Communications Commission, Note of Proposed Rule Making re Universal Service Fund Contribution Methodology, FCC 19-46; WC Docket No. 06-122, Federal Register p. 27571, June 13, 2019.
[4] 47 U.S.C. § 254(b)(5)

rural areas, elementary and secondary school classrooms, and libraries have affordable access to modern telecommunications services that will enable them to provide medical and educational services to all parts of the Nation.

The ability of K–12 classrooms, libraries and rural health care providers to obtain access to advanced telecommunications services is critical to ensuring that these services are available on a universal basis. The provisions of subsection (h) will help open new worlds of knowledge, learning and education to all Americans—rich and poor, rural and urban. They are intended, for example, to provide the ability to browse library collections, review the collections of museums, or find new information on the treatment of an illness, to Americans everywhere via schools and libraries. This universal access will assure that no one is barred from benefiting from the power of the Information Age.[5]

The Commission's proposal in this rulemaking, however, would displace Congress's judgment that "specific, predictable and sufficient" support is required for each of the USF programs to meet these needs. Establishing an aggregate USF cap and a statutorily-baseless system for measuring and comparing the relative value of the four USF programs would frustrate Congress's intent and the programs' vitally important focus on promoting connectivity for high-need consumers.

Recent U.S. Department of Education research shows that students' home broadband access is insufficient, especially for rural households, resulting in a widespread and problematic "homework gap".[6] Under the FCC's proposed aggregate USF cap, rural students may not only be harmed by unjustified E-rate implementation changes, but also by related damage done to the USF High Cost program. Rather than positioning these programs against each for limited USF resources, the FCC should explore ways that they can work together to ensure that more students are connected to high capacity broadband at school and at home.

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[5] Telecommunications Act of 1996, Conference Report, Report 104-458, January 31, 1996. Available online at http://bit.ly/30CGHQZ.

[6] *Student Access to Digital Learning Resources Outside the Classroom,* National Center for Education Statistics, U.S. Department of Education (April 2018). Viewed online at nces.ed.gov.

COMBINING THE E-RATE AND RURAL HEALTH CARE PROGRAM CAPS COULD SLOW SCHOOLS' PROGRESS TOWARD THE MODERNIZATION ORDER'S CONNECTIVITY GOALS

The FCC'S proposal to establish a single budgetary cap for the E-rate and Rural Health Care programs could divert needed broadband resources away from students. Sharing resources between these two unique programs could reduce available E-rate funding during a critical funding year. Rural Health Care Program demand has "risen over the past three years with a sharp increase in demand in FY2017…"[7] Although E-rate demand did not meet the program's cap in the most recent funding year, schools' broadband needs remain significant.

SETDA was pleased when the FCC adopted our members' short-term (100 Mbps per 1,000 students and staff) and long-term (1 Gbps Internet access per 1,000 users) broadband capacity recommendations as part of the E-rate Modernization Order in 2014.[8] Thanks to the E-rate, school districts have made significant progress toward these goals over the past four years, but much work remains to ensure that all students have access to the in-school and out-of-school broadband connectivity they need. For example, the Consortium for School Networking's *2018-2019 Annual Infrastructure Survey* shows that only 36% of school districts report that all of their schools have achieved the E-rate Modernization Order's long-term goal.[9]

USAC IS ALREADY TAKING STEPS TO PROMOTE THE USF'S LONG TERM SUCCESS AND EFFICIENT ADMINISTRATION

SETDA supports the FCC's desire to facilitate the USF's program's long-term success, including improving system administration, but the Universal Service Administrative Company ("USAC") is already taking steps to build on the system's achievements. For example, USAC's 2018 Annual Report notes the following actions it took to improve the E-rate program's administration that should promote efficiency across the program: (1) "Enhanced Training" (providing training to approximately 1,000

[7] *Universal Service Administrative Company 2018 Annual Report*, p.7. Viewed online at www.usac.org.
[8] *Modernizing the E-rate Program for Schools and Libraries,* WC Docket No. 13-184, Order, 29 FCC Rcd 8870 (2014) (*E-rate Modernization Order).*
[9] *CoSN's 2018-2019 Annual Infrastructure Report.* Viewed online at www.cosn.org.

program participants); (2) "Focused on Outreach" (monthly webinars attracting hundreds of viewers and a newsletter with 60,000 readers); (3) "Call Center Launch" (providing faster responses to inquiries); and (4) "Issuing Faster Commitments" (with a focus on system and review processes to reduce system defects).[10]

USAC took similar steps to enhance the administration of the High Cost, Rural Health Care, and Lifeline programs. USAC's 2018 Annual Report also notes that "[c]ombatting waste, fraud, and abuse and safeguarding the integrity of the Universal Service Fund is a priority for USAC and a focus of the organization's Audit and Assurance (AAD) and Enterprise Portfolio Management (EPMO) Divisions." This includes implementing a (1) "revamped audit approach"; (2) "expanded enterprise risk management"; (3) "increased Governance"; and (4) "data warehousing".[11]

THE E-RATE REMAINS AN ESSENTIAL TOOL FOR CONNECTING STUDENTS TO BROADBAND

Copper River School District, Alaska

Alaska's Copper River School District serves students spread across a region the size of Ohio. The school district uses E-rate enabled video-teleconferencing and a tablet program to connect students and teachers in its brick-and-mortar schools. Broadband connections provided by the district also connect high school students with highly-qualified teachers and a full-slate of synchronous courses taught by district staff. Regardless of a student's school of attendance, he or she has access to the entire master schedule. In addition, a robust e-campus learning program includes nearly 300 fully-online, asynchronous courses available to all students. The e-campus program provides students with opportunities for honors and AP-level coursework, as well as CTE-focused classes and a wide variety of world languages. These programs would not be possible without the E-rate.

[10] *Universal Service Administrative Company 2018 Annual Report*, p.8. Viewed online at www.usac.org.
[11] Ibid. p.9.

Santa Ana Unified School District, California

With the support of E-rate, California's Santa Ana Unified School District realized its vision for accelerating student learning. The school district established a student-centered model organized around innovation, learner choice and voice, collaboration, and access. Within the model, E-rate helped the district use technology as a means to personalize learning for each student. Most recently E-rate supported fiber and copper cables and connectors to support a 10 Gigabyte backbone, high capacity WIFI Access Points for every classroom and learning area, and other upgrades to support secure networks and reliability of the network.

South Lemhi School District, Leador Idaho

Idaho's South Lemhi School District is rural and serves just over 100 students. With support from the state, South Lemhi recently completed the program's largest special construction project to date, activated with a new Microwave connection from a FY2017 USAC approval. The school district will move from a 45MB DS3 connection to 100MB microwave connection that is scalable to 1Gibabyte plus. The MRC went from $2500 to less than $800 for twice the speed to provide access to online content and courses to help meet the needs of these students that otherwise would not have access to the same resources as students in more populous school districts.

Sioux County Schools, Nebraska

Located in a very remote, rural part of northwest Nebraska, Sioux County Schools used E-rate funds to upgrade the district's connections to provide students with a wider array of instructional opportunities. Sioux County students can now take foreign language classes, which were previously unavailable because the district could not employ a full-time foreign language instructor. In addition, the district's agriculture education teacher is now able to teach classes online for students attending other schools, which helps build Sioux County's ag education program, while helping to lay a foundation for future agricultural business education at the secondary level in other areas. Overall, E-rate provides Sioux County students with the opportunity to compete with students living in larger school districts as they prepare for future college and career experiences.

Barbour County Schools, West Virginia

West Virginia's rural Barbour County has limited broadband access, so many local students rely on Barbour County Schools to connect to the internet. Like most other counties in West Virginia, Barbour County Schools relies on the E-rate to help manage broadband infrastructure and connectivity costs. The high poverty school district receives a 90% E-rate reimbursement. Using the broadband connectivity enabled by E-rate, Barbour County Schools recently implemented a 1:1 tablet program for students in grades 3-12 and classroom devices for Pre-K and Kindergarten students. Teachers and students reported that their expanded access to technology and broadband led to meaningful improvements in student engagement and improved results on state assessments.

CONCLUSION

SETDA strongly encourages the FCC to not implement the changes proposed by this rulemaking. Instead, the FCC and Congress should continue existing successful efforts to improve the program's administration and take steps to update the program's revenue structure. Sufficient E-rate funding must be available to help school districts and their state partners to address remaining broadband shortfalls, including achieving the Modernization Order's long-term goals *and* closing the "homework gap". As Congress said, "[t]he ability of K–12 classrooms, libraries and rural health care providers to obtain access to advanced telecommunications services is critical to ensuring that these services are available on a universal basis". Our members stand ready to work with the FCC to ensure that the E-rate and the broader USF continues to deliver on this promise.

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